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Remarks

In response to the Examiner's Final Office Action, Applicant has amended previously dependent claims 3 and 9 into independent form, and submits that these claims are patentable over the prior art for reasons stated below. Furthermore, Applicant submits that independent claim 10 is patentable over the prior art for reasons stated below.

The Examiner's Final Rejection of claims 1-9 is based on Chen (No. 6,549,912), either taken alone or in various combinations with Burge (No. 6,014,638) and Kolls (No. 6,609,103).

Applicant disagrees with the rejection of claim 3 for the reason that none of the references cited show or suggest the collection or delivery of product registration information to a product source or manufacturer, as is recited in claim 3. (Claim 3 is now written in independent form so that it may be allowed without objection.)

The Examiner's Final Action cites to col. 9, lines 4-27 of Chen in rejecting claim 3; however, this section of Chen does not describe the collection or delivery of product registration information. Rather Chen discloses a loyalty system in which data is stored on a smart card for merchant/retailer loyalty purposes, and the quoted section of Chen simply recites the various kinds of loyalty information that may be stored on a smart card in accordance with his system. Specifically, the smart card may have personal identification for the customer, records on buying patterns, and a count of frequent-flyer or frequent-buyer points earned, and awards accumulated. None of this suggests product registration; indeed, there is nothing suggesting interaction with a manufacturer at all, but only interaction with a retailer.

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Claim 3 recites the method step of "electronically communicating the customer profile from the customer data storage device and product information to the source of the product for product registration". Applicant respectfully submits that Chen does not accomplish such a step. Chen never mentions product registration and in fact describes examples in which there would not be product registration; his smart card is used in managing points for purchases of services, such as air travel and hotel room nights, which are not goods that involve product registration. Chen thus suggests nothing relative to the use of any system for facilitating product registration.

The Examiner cites the Burge prior art for generally showing that it is known to track customer preferences; the Burge patent is directed to customization of displays made to a user while on-line shopping and the like. Burge clearly fails to disclose the basic concept of, as part of a transaction, communicating product registration information from a customer data storage device to a product source / manufacturer, or even more general concepts relating to customer data storage devices. Thus, Applicant submits that Burge does not supply the disclosure missing from Chen, and claim 3 and each of claims 1-2 and 4-8 that depend therefrom are allowable.

Applicant has rewritten claim 9 in independent form, and submits that claim 9 is also allowable over the Chen and Kolls prior art identified by the Examiner as the basis for rejection. Claim 9 recites customer data storage device that is used to "remotely maintain[] at least a portion of the customer profile and a database of transaction records associated with the customer profile", and claim 9 further recites "synchronizing the database of transaction records

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with the customer data storage device in response to subsequent availability of electronic communication between the database and the storage device after an intervening transaction wherein a transaction record was stored on only one of the database and the storage device".

The Examiner's rejection of claim 9 is based upon Chen combined with the Kolls prior art. Chen, as the Examiner has noted, never deals with maintaining separate, potentially unsynchronized copies of customer data. The Examiner believes that Kolls provides a motivation to modify Chen to include such a function. However, Kolls in no way relates to systems in which customer data is carried by a customer for exchange as part of electronic commerce. Kolls relates to a public access terminal at which consumers may perform electronic commerce transactions. There is no mention of any use of media cards or other customer data storage by a consumer to exchange data during such electronic commerce. Indeed, the text the Examiner identified in Kolls at col. 3, lines 57-60, is from the background, not the description of the invention, and that text merely states in a generic way, the "need to synchronize portable and fixed data resources..." This oblique reference is hardly suggestive of any particular modification of Kolls or any other document, much less a specific alteration of Chen that the Examiner has theorized.

The only time the word "synchronization" appears in the description of Kolls, is with reference to the potential that consumers might use the described terminal for Palm Pilot synchronization. There is no indication that the Palm Pilot or other device used in such "synchronizing" is participating in transactions, nor, in the claim 9 language, "as part of a transaction", is there any need for "physically presenting" anything "at a merchant location",

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much less "electronically communicating [a] customer profile ... in conjunction with the transaction".

Applicant thus submits that claim 9 is allowable over the prior art cited.

The Examiner's Final Rejection of claims 10-18 is based on Armetta (No. 5,864,830), either taken alone or in various combinations with Solokl (No. 6,173,269) and Chen. Applicant respectfully disagrees with this rejection.

Claim 10 recites a transaction control concept, implemented using a customer data storage device. Specifically, a "subordinate person" having "physical possession of a customer data storage device" that stores "a controlled customer profile" associated with a "financial credit identifier". The transaction control comes from "communicating a transaction limitation from the customer data storage device to the merchant; and preventing authorization of [a] purchase transaction based on the transaction limitation." This is a particularly useful concept, in that the data storage device can itself provide a control over transactions, e.g., it can prevent particular purchases, while at the same time serving as a repository for customer data. The Examiner should particularly note that the claim language recites a transaction limitation being communicated "from the customer data storage device", i.e., the limitation is in the electronic data that the consumer carries.

The Armetta patent relied on by the Examiner fails to meet this key limitation. Armetta shows the use of a Visa/Mastercard or Visa/Mastercard-like network to clear transactions, specifically, there is a database available through the network that makes financial authorizations for purchases. That database also validates the type of purchase, and blocks

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disallowed purchases. Thus, Armetta is in no way directed to the use of a data storage device that carries a transaction limitation, because Armatta takes the approach of storing transaction limitations centrally, rather than on portable data carriers.

The Examiner posits that it would be obvious to modify Armetta to use a portable data carrier to store data. Applicant strongly disagrees. In the background of Armetta, col. 2, lines 50-67, Armetta recites various disadvantages of "stored value" cards, such as "stored value cards require special readers that will not work with debit or credit cards", "there is no common industry standard for stored value cards", "stored value cards lack conventional credit cards' protection against theft or loss", and finally, "stored value cards do not enjoy other advantages of credit cards, and thus cannot be used for security deposit purposes, or for ordering merchandise or services by telephone, mail, or over Internet." These statements are backdrop to Armetta's description of the Armetta invention, which does not use stored value cards, but rather uses Visa/Mastercard centralized network techniques. Armetta thus clearly advises against the use of stored value cards, and thus the modification the Examiner proposes would be antithetical to what Armetta teaches.

Applicant would further note that a key purpose of Armetta, stated in the abstract of the patent, is to permit the main cardholder to "remotely selectively increase the available spending capacity of the one or more satellite cards by deducting the desired additional spending capacity of each satellite card from the available balance of the host credit card as a purchase against the host card account". This could not be done "remotely" if a "smart card" were used to store value, as that would require physical presence of the card for the reprogramming. Thus, it

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would be destructive to this key feature of Armetta to substitute stored value cards, as the Examiner proposes. Applicant thus submits that claim 10, and the claims which depend therefrom, are allowable over Armetta.

The Examiner has cited the Solokl patent with respect to some dependent claims of claim 10, so a few remarks will be directed at that patent as well. Solokl is, like Armetta, also directed to methods of using a centralized network. Solokl focuses on how to provide a payment instrument to minors, and describes a debit card type instrument, used for this purpose. That is, in the Solokl system a central network authorizes transactions at the time of purchase. There is, again, no mention of a consumer data storage device or any device in the possession of the consumer that defines transaction limitations. Thus, Applicant submits that Solokl does not disclose the features absent from Armetta, namely the use of a consumer data storage device with a transaction limitation.

In view of the above, Applicant submits that the claims, as presented above, are allowable over Examiner's cited prior art, and requests early issuance of a Notice of Allowability.

This response is believed to be timely submitted. If, however, any petition for extension of time is necessary to accompany this communication, please consider this paper a petition for such an extension of time, and apply the appropriate extension of time fee to Deposit Account 23-3000. If any other charges or credits are necessary to complete this communication, please apply them to Deposit Account 23-3000.

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Respectfully submitted,



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